

## PART II - SECTION I CONTRACT CLAUSES

### **I.1 3.1-1 CLAUSES AND PROVISIONS INCORPORATED BY REFERENCE (DECEMBER 2005)**

This SIR incorporates by reference one or more provisions or clauses listed below with the same force and effect as if they were given in full text. Upon request, the Contracting Officer (CO) will make the full text available or Offerors and Contractors may obtain the full text via Internet at: <http://fast.faa.gov> (on this web page, select "Contract Writing/Clauses").

- 3.1.7-2 Organizational Conflict of Interest (August 1997)
- 3.1.7-4 Organizational Conflict of Interest (February 2009)
- 3.1.7-5 Disclosure of Conflict of Interest (February 2009)
- 3.1.8-1 Cancellation, Rescission and Recovery of Funds for Illegal or Improper Activity (October 2009)
- 3.1.8-2 Price or Fee Adjustment for Illegal or Improper Activity (April 2010)
- 3.2.2.3-29 Integrity of Unit Prices (July 2004)
- 3.2.2.3-33 Order of Precedence (February 2009)
- 3.2.2.7-6 Protecting the Government's Interest when Subcontracting with Contractors Debarred, Suspended, or Proposed for Debarment (April 2011)
- 3.2.2.7-8 Disclosure of Team Arrangements (April 2008)
- 3.2.2.8-1 Material Requirement (April 2009)
- 3.2.4-27 Limitation of Price and Contractor Obligations (April 1996)
- 3.2.4-28 Cancellation of Items (April 1996)
- 3.2.5-1 Officials Not to Benefit (April 1996)
- 3.2.5-3 Gratuities or Gifts (January 1999)
- 3.2.5-4 Contingent Fees (October 1996)
- 3.2.5-5 Anti-Kickback Procedures (October 1996)
- 3.2.5-6 Restrictions on Subcontractor Sales to the FAA (April 1996)
- 3.2.5-8 Whistleblower Protection for Contractor Employees (April 1996)
- 3.2.5-13 Contractor Code of Business Ethics and Conduct (April 2010)
- 3.2.5-14 Display of Hotline Posters (April 2008)
- 3.3.1-1 Payments (April 1996)
- 3.3.1-8 Extras (April 1996)
- 3.3.1-9 Interest (September 2009)
- 3.3.1-10 Availability of Funds (April 1996)
- 3.3.1-11 Availability of Funds for the Next Fiscal Year (April 1996)
- 3.3.1-17 Prompt Payment (September 2009)
- 3.3.1-27 Invoices for Equipment Delivered (March 1997)
- 3.3.1-31 Alternate I Progress Payment (November 1997)
- 3.3.1-33 Central Contractor Registration (January 2008)
- 3.3.1-34 Payment by Electronic Funds Transfer – Central Contractor Registration (Feb. 2009)
- 3.3.1-36 Availability of Funds – Option Periods under a Continuing Resolution (April 2008)
- 3.3.2-1 FAA Cost Principles (October 1996)
- 3.4.1-12 Insurance (July 1996)
- 3.4.2-8 Federal, State, and Local Taxes – Fixed Price Contract (April 1996)
- 3.5-1 Authorization and Consent (January 2009)
- 3.6.1-1 Notice of Total Small Business Set-Aside (January 2010)
- 3.6.1-6 Liquidated Damages – Subcontracting Plan (January 2010)
- 3.6.1-15 Post-Award Small Business Program Representation (January 2010)

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- 3.6.2-4 Walsh-Healey Public Contracts Act (October 2010)
- 3.6.2-12 Affirmative Action for Special Disabled and Vietnam Era Veterans (January 2011)
- 3.6.2-13 Affirmative Action for Workers With Disabilities (October 2010)
- 3.6.2-14 Employment Reports on Veterans (January 2011)
- 3.6.2-39 Trafficking in Persons (January 2008)
- 3.6.3-16 Drug Free Workplace (February 2009)
- 3.6.4-2 Buy American Act – Supplies (July 2010)
- 3.6.4-10 Restrictions on Certain Foreign Purchases (January 2010)
- 3.6.4-19 Prohibition on Engaging in Sanctioned Activities Relating to Iran-Certification. (January 2011)
- 3.9.1-1 Contract Disputes (September 2009)
- 3.9.1-2 Protest After Award (August 1997)
- 3.10.1-7 Bankruptcy (April 1996)
- 3.10.1-12 Changes - Fixed-Price (April 1996)
- 3.10.1-24 Notice of Delay (February 2009)
- 3.10.1-25 Novation and Change-of-Name Agreements (October 2007)
- 3.10.3-1 Definitions (April 2004)
- 3.10.3-2 Government Property – Basic Clause, including Alt. I and II (April 2004)
- 3.13-13 Contractor Policy to Ban Text Messaging While Driving (January 2011)
- 3.13-14 Reporting Executive Compensation and First-Tier Subcontract Awards (April 2011)

**I.2 CLAUSES PROVIDED IN FULL TEXT**

**3.2.4-17 ORDER LIMITATIONS (OCTOBER 1996)**

(a) Minimum order. When the Government requires supplies or services covered by this contract in an amount of less than **\$1,000**, the Government is not obligated to purchase, nor is the Contractor obligated to furnish, those supplies or services under the contract.

(b) Maximum order. The Contractor is not obligated to honor-

(1) Any order for a single item in excess of **Section B ceiling amounts**;

(2) Any order for a combination of items in excess of **Section B ceiling amounts**; or

(3) A series of orders from the same ordering office within **N/A** days that together call for quantities exceeding the limitation in subparagraph (1) or (2) above.

(c) If this is a requirements contract, the Government is not required to order a part of any one requirement from the Contractor if that requirement exceeds the maximum-order limitations in paragraph (b) above.

(d) Notwithstanding paragraphs (b) and (c) above, the Contractor shall honor any order exceeding the maximum order limitations in paragraph (b), unless that order (or orders) is returned to the ordering office within **3** days after issuance, with written notice stating the Contractor's intent not to ship the item

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(or items) called for and the reasons. Upon receiving this notice, the Government may acquire the supplies or services from another source.

(End of clause)

### 3.2.4-20 INDEFINITE QUANTITY (JULY 1996)

(a) This is an indefinite-quantity contract for the supplies or services specified, and effective for the period stated, in the Schedule. The quantities of supplies and services specified in the Schedule are estimates only and are not purchased by this contract.

(b) Delivery or performance shall be made only as authorized by orders issued in accordance with the "Ordering" clause. The Contractor shall furnish to the Government, when and if ordered, the supplies or services specified in the Schedule up to and including the quantity designated in the Schedule as the maximum. The Government shall order at least the quantity of supplies or services designated in the Schedule as the minimum.

(c) Except for any limitations on quantities in the "Order Limitations" clause or in the Schedule, there is no limit on the number of orders that may be issued. The Government may issue orders requiring delivery to multiple destinations or performance at multiple locations.

(d) Any order issued during the effective period of this contract and not completed within that period shall be completed by the Contractor within the time specified in the order. The contract shall govern the Contractor's and Government's rights and obligations with respect to that order to the same extent as if the order were completed during the contract's effective period; provided, that the Contractor shall not be required to make any deliveries under this contract after **365 days after contract expiration**.

(End of clause)

### 3.2.4-33 OPTION FOR INCREASED QUANTITY – SEPARATELY PRICED LINE ITEM (APRIL 1996)

The Government may require the delivery of the numbered line item, identified in the Schedule as an option item, in the quantity and at the price stated in the Schedule. The Contracting Officer may exercise the option by written notice to the Contractor within **60 days**. Delivery of added items shall continue at the same rate that like items are called for under the contract, unless the parties otherwise agree.

(End of clause)

### 3.2.4-35 OPTION TO EXTEND THE TERM OF THE CONTRACT (APRIL 1996)

(a) The Government may extend the term of this contract by written notice to the Contractor within **60 days prior to expiration of the contract**; provided, that the Government shall give the Contractor a preliminary written notice of its intent to extend at least 60 days before the contract expires. The preliminary notice does not commit the Government to an extension.

(b) If the Government exercises this option, the extended contract shall be considered to include this option provision.

(c) The total duration of this contract, including the exercise of any options under this clause, shall not exceed **3 years and 9 months**.

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(End of clause)

**3.3.1-33 CENTRAL CONTRACTOR REGISTRATION (JANUARY 2008)**

(a) Definitions. As used in this clause

"Central Contractor Registration (CCR) database" means the primary Government repository for Contractor information required for the conduct of business with the Government.

"Data Universal Numbering System (DUNS) number" means the 9-digit number assigned by Dun and Bradstreet, Inc. (D&B) to identify unique business entities.

"Data Universal Numbering System +4 (DUNS+4) number" means the DUNS number assigned by D&B plus a 4-character suffix that may be assigned by a business concern. (D&B has no affiliation with this 4-character suffix.) This 4-character suffix may be assigned at the discretion of the business concern to establish additional CCR records for identifying alternative Electronic Funds Transfer (EFT) accounts for the same parent concern.

"Registered in the CCR database" means that the Contractor has entered all mandatory information, including the DUNS number or the DUNS+4 number, into the CCR database.

(b)(1) By submission of an offer, the offeror acknowledges the requirement that a prospective awardee shall be registered in the CCR database prior to award, during performance, and through final payment of any contract, basic agreement, basic ordering agreement, or blanket purchasing agreement resulting from this solicitation.

(2) The offeror shall enter, in Representations, Certifications and Other Statements of Offerors Section of the solicitation, the DUNS or DUNS +4 number that identifies the offeror's name and address exactly as stated in the offer. The DUNS number will be used by the Contracting Officer to verify that the offeror is registered in the CCR database.

(c) If the offeror does not have a DUNS number, it should contact Dun and Bradstreet directly to obtain one.

(1) An offeror may obtain a DUNS number

(i) If located within the United States, by calling Dun and Bradstreet at 1-866-705-5711 or via the Internet at <http://fedgov.dnb.com/webform>; or

(ii) If located outside the United States, by contacting the local Dun and Bradstreet office.

(2) The offeror should be prepared to provide the following information:

(i) Company legal business.

(ii) Tradestyle, doing business, or other name by which your entity is commonly recognized.

(iii) Company Physical Street Address, City, State, and ZIP Code.

(iv) Company Mailing Address, City, State and ZIP Code (if different from physical street address).

(v) Company Telephone Number.

(vi) Date the company was started.

(vii) Number of employees at your location.

(viii) Chief executive officer/key manager.

(ix) Line of business (industry).

(x) Company Headquarters name and address (reporting relationship within your entity).

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(d) If the offeror does not become registered in the CCR database in the time prescribed by the Contracting Officer, the Contracting Officer may proceed to award to the next otherwise successful registered offeror.

(e) Processing time, which normally takes 48 hours, should be taken into consideration when registering. Offerors who are not registered should consider applying for registration immediately upon receipt of this solicitation.

(f) The Contractor is responsible for the accuracy and completeness of the data within the CCR database, and for any liability resulting from the Government's reliance on inaccurate or incomplete data. To remain registered in the CCR database after the initial registration, the Contractor is required to review and update on an annual basis from the date of initial registration or subsequent updates its information in the CCR database to ensure it is current, accurate and complete. Updating information in the CCR does not alter the terms and conditions of this contract and is not a substitute for a properly executed contractual document.

(g)(1)(i) If a Contractor has legally changed its business name, "doing business as" name, or division name (whichever is shown on the contract), or has transferred the assets used in performing the contract, but has not completed the necessary requirements regarding novation and change-of-name agreements in AMS Procurement Guidance T3.10.1.A-8, the Contractor shall provide the responsible Contracting Officer a minimum of one business day's written notification of its intention to:

(A) change the name in the CCR database;

(B) comply with the requirements of T3.10.1.A-8; and

(C) agree in writing to the timeline and procedures specified by the responsible Contracting Officer. The Contractor must provide the Contracting Officer with the notification, sufficient documentation to support the legally changed name.

(ii) If the Contractor fails to comply with the requirements of paragraph (g)(1)(i) of this clause, or fails to perform the agreement at paragraph (g)(1)(i)(C) of this clause, and, in the absence of a properly executed novation or change-of-name agreement, the CCR information that shows the Contractor to be other than the Contractor indicated in the contract will be considered to be incorrect information within the meaning of the "Suspension of Payment" paragraph of the electronic funds transfer (EFT) clause of this contract.

(2) The Contractor shall not change the name or address for EFT payments or manual payments, as appropriate, in the CCR record to reflect an assignee for the purpose of assignment of claims. Assignees shall be separately registered in the CCR database. Information provided to the Contractor's CCR record that indicates payments, including those made by EFT, to an ultimate recipient other than that Contractor will be considered to be incorrect information within the meaning of the "Suspension of payment" paragraph of the EFT clause of this contract.

(h) Offerors and Contractors may obtain information on registration and annual confirmation requirements via the internet at <http://www.ccr.gov/> or by calling 1-888-227-2423, or 269-961-5757.

(End of Clause)

**3.6.1-7 LIMITATIONS ON SUBCONTRACTING (JULY 2008)**

By submission of an offer and execution of a contract, the Offeror/Contractor agrees that in performance of the contract in the case of a contract for:

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(a) Services (except construction). At least 50 percent of the cost of contract performance incurred for personnel shall be expended for employees of the prime contractor.

(b) Supplies (other than procurements from a regular dealer in such supplies). The prime contractor shall perform work for at least 50 percent of the cost of manufacturing the supplies, not including the cost of materials.

(c) General construction. The prime contractor shall perform at least 15 percent of the cost of the contract, not including the cost of materials, with its own employees.

(d) Construction by special trade contractors. The prime contractor shall perform at least 25 percent of the cost of the contract, not including the cost of materials, with its own employees.

Compute small business subcontracting labor cost percentages as follows:

Contractor Subcontractor

Direct Labor \$ \_\_\_\_\_ \$ \_\_\_\_\_

Allowable Overhead \_\_\_\_\_

Subtotal (A) \_\_\_\_\_ (B) \_\_\_\_\_

Labor G&A @ \_\_\_\_\_ % \_\_\_\_\_

Total Labor Costs (C) \_\_\_\_\_ (D) \_\_\_\_\_

To calculate the subcontracting percentage, first add Direct Labor and Allowable Overhead and enter the figures for the contractor in space (A) and for the subcontractor (if available)\* in space (B).

Next, calculate Labor G & A by multiplying the G & A rate by the subtotal figure in space (A). Calculate subcontractor Labor G & A by multiplying the subcontractor's G & A rate by figure (B). Add the Labor G & A to the Subtotal and record that figure in the spaces for Total Labor Costs (C) and (D).

Now, using the formula  $(D)/(C) + (D)$ , calculate the subcontracting labor cost percentage.

\*You need to be comparing as like figures as possible; therefore, if you have a breakdown of the subcontractor's costs, use it in the formulation above. If you do not have a breakdown of the subcontractors' costs, you should use the Total Subcontracting Amount for item (D), though you should still breakdown the contractor's costs.

(End of clause)

**End Section I**